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Green Mountain Care Board Announces FY2025 Hospital Budget Decisions and Enforcement of FY2023 Hospital Budgets

Montpelier, VT – The Green Mountain Care Board (GMCB) has concluded its annual review of hospital budget submissions for fiscal year 2025. This year's decisions reflect a careful balance between ensuring access to high-quality, affordable healthcare for Vermonters, maintaining financial sustainability of hospitals, and responding to the evolving healthcare landscape.

The GMCB reviewed budget proposals from all 14 regulated hospitals across the state, taking into consideration each institution's financial health, projected revenue needs, cost containment efforts, and patient care priorities. As part of this process, the Board engaged in a series of public hearings, incorporating feedback from stakeholders, hospital administrators, healthcare providers, the Vermont Health Care Advocate, and community members.

“Vermonters are facing some of the highest healthcare costs in the country and deserve an affordable healthcare system. Not only are Vermont insurance premiums rising faster than in nearly any other state, but healthcare costs are straining school budgets and contributing to rising property taxes,” said Owen Foster, Chair of the Green Mountain Care Board. “These budget decisions require Vermont hospitals to focus on population health—to keep patients healthier and out of hospitals—and to constrain costs at a time when many hospitals face significant financial challenges. This will not be easy, particularly given our underlying demographics and housing shortages that must be urgently addressed. Our healthcare costs and these decisions highlight the need and opportunity for systemic change that will provide Vermonters with an affordable and sustainable hospital and health system.”

The Green Mountain Care Board’s decisions were consistent with FY25 guidance which set hospital revenue targets and price increases at levels reflecting wage growth and inflation. FY25 guidance established that operational efficiency and provider productivity would be a key focus and important factors in considering whether a hospital’s budget could exceed guidance. Review of FY25 budgets revealed opportunity for Vermont hospitals to increase efficiency and provider productivity—which would lower healthcare costs for Vermonters and improve access.

The hospital system transformation and sustainability recommendations arising out of Act 167 (2022) will be presented to the Board on Wednesday, September 18, 2024. Dr. Hamory and his team from Oliver Wyman will discuss in detail the changes they recommend to ensure the long-term affordability and sustainability of Vermont’s healthcare system. Please visit the [GMCB website](#) for more details on

how to join this meeting.

The below charts reflect change in charge, and net patient revenue approvals in recent years:

Hospital	Charge Increases					
	FY23 Approved	FY24 Submitted	FY24 Approved	FY25 Submitted	FY25 Approved	FY25 Approved w/ FY23 Enforcement ⁵
System-Wide	10.5%	10.6%	4.1%	5.7%	3.4%	
Brattleboro Memorial Hospital	14.6%	1.5%	1.5%	4.7%	3.4%	
Central Vermont Medical Center (CVMC) ⁴	10.0%	10.0%	5.0%	5.5%	3.4%	
Copley Hospital ³	12.0%	15.0%	8%, 15%	10.5%	3.4%	
Gifford Medical Center	3.7%	3.6%	3.6%	6.8%	3.4%	
Grace Cottage Hospital	5.0%	4.0%	4.0%	2.5%	2.5%	
Mt Ascutney Hospital and Health Center	4.7%	5.1%	5.1%	2.2%	2.2%	
North Country Hospital	12.2%	4.5%	4.0%	4.7%	3.4%	
Northeastern Vermont Regional Hospital (NVRH)	10.8%	15.0%	8.0%	4.5%	3.4%	
Northwestern Medical Center	9.0%	6.0%	6.0%	6.4%	3.4%	
Porter Medical Center ²	3.5%	5.0%	3.1%	2.5%	2.5%	
Rutland Regional Medical Center	17.4%	5.6%	5.6%	2.8%	2.8%	1.2%
Southwestern Vermont Medical Center	9.5%	6.6%	6.6%	3.5%	3.4%	
Springfield Hospital	10.0%	7.0%	6.0%	2.2%	2.2%	
University of Vermont Medical Center (UVMCMC) ²	10.1%	10.0%	3.1%	6.8%	3.4%	-1.0%

Hospital	Net Patient Revenue Increases ⁶					
	FY23 Submitted	FY23 Approved	FY24 Submitted	FY24 Approved	FY25 Submitted	FY25 Approved
System-Wide ⁷	9.15%	9.15%	19.6%	18.9%	8.0%	4.1%
Brattleboro Memorial Hospital	13.3%	13.3%	19.9%	19.9%	2.5%	2.5%
Central Vermont Medical Center (CVMC)	7.3%	7.3%	21.4%	14.4%	11.9%	6.0%
Copley Hospital	12.1%	12.1%	21.3%	21.3%	11.8%	9.0%
Gifford Medical Center	7.0%	7.0%	7.2%	7.2%	8.2%	3.5%
Grace Cottage Hospital	15.0%	15.0%	16.4%	16.4%	12.0%	6.0%
Mt Ascutney Hospital and Health Center	10.4%	10.4%	12.4%	12.4%	3.2%	3.5%
North Country Hospital	12.5%	12.5%	21.3%	20.7%	1.6%	1.6%

Northeastern Vermont Regional Hospital (NVRH)	13.0%	13.0%	16.3%	14.0%	3.9%	3.5%
Northwestern Medical Center	4.5%	4.5%	10.3%	10.3%	6.8%	6.8%
Porter Medical Center	10.9%	10.9%	28.4%	28.4%	4.2%	4.2%
Rutland Regional Medical Center	16.1%	16.1%	7.7%	7.7%	6.1%	5.0%
Southwestern Vermont Medical Center	6.4%	6.4%	9.0%	9.0%	3.5%	3.5%
Springfield Hospital	7.5%	7.5%	15.6%	14.6%	13.0%	6.0%
University of Vermont Medical Center (UVMHC)	10.0%	10.0%	23.8%	23.8%	9.3%	3.5%

Hospital (\$ Millions)	FY25 NPR		
	Guidance	Amount Requested Over Guidance	Amount Approved Over Guidance
System-Wide	\$3,680.7	\$160.7	\$21.7
Brattleboro Memorial Hospital	\$115.1	-\$1.1	-\$1.1
Central Vermont Medical Center (CVMC)	\$284.6	\$23.0	\$6.9
Copley Hospital	\$109.1	\$8.7	\$5.8
Gifford Medical Center	\$66.7	\$3.0	\$0.0
Grace Cottage Hospital	\$28.5	\$2.4	\$0.7
Mt Ascutney Hospital and Health Center	\$72.8	\$0.6	\$0.0
North Country Hospital	\$107.6	-\$1.9	-\$2.0
Northeastern Vermont Regional Hospital (NVRH)	\$124.5	\$0.5	\$0.0
Northwestern Medical Center	\$130.6	\$4.1	\$4.2
Porter Medical Center	\$129.4	\$0.9	\$0.9
Rutland Regional Medical Center	\$340.3	\$8.4	\$4.9
Southwestern Vermont Medical Center	\$210.6	\$0.0	\$0.0
Springfield Hospital	\$62.9	\$5.8	\$1.5
University of Vermont Medical Center (UVMHC)	\$1,897.8	\$106.3	\$0.0

¹Years FY23 - FY24 refer to overall change in charge and commercial rate increases. FY25 refers to the commercial negotiated rate.

²For FY23, the UVMHN hospitals used commercial effective rates as their approved rate increases, which were: 12.50% for CVMC, 11.50% for Porter Hospital, and 14.77% for UVMHC

³Copley's approved rate for FY24 was originally 8%. The Board gave Copley an additional 7% after a mid-year request for an adjustment.

⁴For FY25, CVMC requested a 6.54% rate increase in their budget narrative but a 5.5% increase in their rate decomposition data.

⁵Additional reductions to commercial rate will be applied to FY26 associated with FY23 enforcement.

⁶FY2024 NPR increases (highlighted in gray) reflect a 2-year growth rate from FY22 Actuals. All other NPR increases reflect a 1-year

growth rate from the previous budget.

⁶FY2024 Systemwide NPR increases were weighted using FY2023 approved budgets.

FY2023 Budget Enforcement

Vermont’s hospital budget review statute provides that “[e]ach hospital shall operate within the budget established” by the Board. 18 V.S.A. § 9456(d)(1). If a hospital believes that it cannot comply with the budget as established by the Board, the statute provides a process by which a hospital can take proactive steps to apply for adjustment of its budget, showing need based on an exceptional or unforeseen circumstance. 18 V.S.A. § 9456(f). In prior years, some hospitals have sought mid-year rate adjustments as part of a process by which the GMCB reviews the situation and determines whether adjustment to the established budget is appropriate.

In 2024 several Vermont hospitals reported results over their FY23 established budgets. Four hospitals, having not applied for budget adjustments, received letters from the GMCB explaining that the Board identified these deviations and intended to review the underlying factors in considering potential enforcement. The University of Vermont Medical Center (UVMMC) exceeded its FY23 budget by \$80,290,156. Porter Medical Center exceed its FY23 budget by \$11,000,307. Rutland Regional Medical Center exceeded its FY23 budget by \$11,064,861. Northeastern Vermont Regional Hospital (NVRH) exceeded its budget by \$2,105,926.

After reviewing evidence, conducting hearings, taking extensive public comment, and deliberating on these FY23 overages, the GMCB determined that corrective measures to remediate the deviations for UVMMC and RRMC were appropriate to protect Vermont rate payers. The GMCB voted to fully enforce UVMMC’s overage by reducing future commercial rates over two years. GMCB elected to enforce 50% of RRMC’s overage by reducing future commercial rates over two years. GMCB elected to not take action to enforce NVRH or Porter Hospital’s FY23 budget overages.

“Vermont statute requires hospitals to comply with budget orders, which are a critical tool to protect Vermonters from runaway healthcare costs and hold hospitals accountable for expense growth,” said Owen Foster, Chair of the Green Mountain Care Board. “In FY23 UVMMC was approved for a 14.77% commercial effective rate, and RRMC a 17.40% change in charge. Today’s budget enforcement decisions remediate Vermonters’ paying hospital commercial rate increases that FY23 performance demonstrate were unnecessary and that patients did not need to bear considering significant unbudgeted government payments and patient volumes. These decisions will lower hospital prices which will allow for increased patient access without imposing undue financial burden on Vermonters.”

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About: The Green Mountain Care Board (GMCB) is a 5-member, independent Board with a vision of a sustainable and equitable healthcare system that promotes better health outcomes for Vermonters. The GMCB was created in 2011 with an ambitious mission to drive system-wide improvements in access, affordability, and quality of healthcare to improve the health of Vermonters. Through public meetings, the GMCB ensures a transparent approach to healthcare regulation and a voice for stakeholders, including healthcare organizations, clinicians, and members of the public. With a holistic, data driven approach, the GMCB carries out its regulatory duties, supports innovation in healthcare delivery and payment reform, and serves as an important resource for independent, transparent analyses of Vermont’s healthcare system performance.